



For Immediate Release
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March 9, 2005

**MADIGAN, BLAGOJEVICH: PANELS APPROVE LEGISLATION
TO ENSURE ILLINOISANS ARE ALERTED TO BREACHES
OF PERSONAL, FINANCIAL INFORMATION**

***ILLINOIS' SECURITY BREACH ACT DRAFTED TO ADDRESS
CONCERNS FOLLOWING CHOICEPOINT IDENTITY THEFT***

Chicago – Attorney General Lisa Madigan and Gov. Rod Blagojevich today announced the House Judiciary Committee and Senate Executive Committee have approved bipartisan legislation requiring data collection companies to notify Illinois residents in the event of a security breach.

Today's action on the identity theft protection bills comes as news outlets reported that LexisNexis announced that identity thieves had obtained access to profiles of approximately 32,000 U.S. citizens.

Madigan, Blagojevich and the Illinois Public Interest Research Group (PIRG) drafted House Bill 1633 and Senate Bill 1749, known as the Security Breach Act, in response to concerns following a large-scale information breach at Georgia-based ChoicePoint, Inc., in late February. More than 5,000 Illinoisans learned their personal and financial information may have been compromised during a security breach at the data collection agency.

The bill is sponsored in the House by Rep. John Fritchey (D-Chicago) and co-sponsored by Reps. Marlow Colvin (D-Chicago), Rosemary Mulligan (R-Des Plaines) and Bill Black (R-Danville). The bill is sponsored in the Senate by Sen. Ira Silverstein (D-Chicago).

After ChoicePoint revealed the breach, the company notified only residents of California who might be affected because of a California state law requiring the company to do so. However, following a letter initiated by Madigan and signed by 38 other state attorneys general, ChoicePoint agreed to notify more than 140,000 consumers nationwide whose personal and financial information might have been compromised, including those in Illinois. The Security Breach Act would require that such disclosures be mandatory to any resident of Illinois.

“This legislation requires that consumers be notified if they are in danger of becoming a victim of one of our nation’s fastest-growing crimes,” Madigan said. “The most effective way to prevent the destructive effects of identity theft is to act quickly to regain control of your personal and financial information, but this only can be accomplished if the consumer is quickly notified when the security of this information has been compromised.”

“Identity theft costs consumers and taxpayers in the United States hundreds of millions of dollars every year. In addition to finding and prosecuting thieves who target personal and financial information, we need to do everything we can to help consumers react quickly to protect their credit and finances when identity thieves succeed,” Blagojevich said. “As the ChoicePoint case demonstrated – consumers might not know for months, if ever, that their personal information has been stolen. That has to change. If a company knows that their records have been illegally accessed, they should let their customers know as soon as possible.”

“It can take months, even years, for victims to clear their names and restore their good credit,” Fritchey said. “This measure is designed to nip identity theft in the bud by letting affected individuals know a security breach has occurred and that they must be particularly attentive and vigilant in monitoring their credit history files for unauthorized transactions.”

“It is critical that consumers are notified about security breaches so they can change passwords or protect accounts of all kinds,” Mulligan said. “This bill will go a long way toward assisting consumers in Illinois in protecting themselves from identity theft.”

“This legislation ensures that consumers are not kept in the dark if someone has possible access to their personal and financial information,” Silverstein said. “Taking immediate action in the case of a security breach is critical in protecting consumers’ identities.”

“Potential victims of identity theft have no time to waste when it comes to protecting their personal and financial information,” Colvin said. “This bill ensures consumers will be notified of any security breach in a timely manner.”

“More than 5,000 Illinoisans had critical personal information stolen from ChoicePoint, yet they were not notified until four months later,” said John Gaudette, legislative advocate for Illinois PIRG. “Illinois consumers deserve the right to be notified when a company’s security has been breached. Legislation pending on the floor of the General Assembly will go a long way in protecting Illinois consumers from credit theft.”

The Security Breach Act would provide that any entity that collects and maintains personal consumer information must notify all affected Illinois customers in the event of a security breach. Personal information is defined as a Social Security number, a driver’s license number, bank or credit card number, or pin codes in combination with a person’s name or any of these items that, if used alone, would be sufficient to attempt an identity theft.

The bill would require that notifications be made without unreasonable delay. Notification delays only would be permitted in the event that notification of customers would interfere with a criminal investigation. The provisions of HB 1633 would be enforced by the Office of the Attorney General through the Illinois Consumer Fraud Act.

Madigan and Blagojevich said the number of reported cases of identity theft in Illinois rose 49 percent in the past year, from 7,474 reported identity theft victims in 2003 to 11,138 reported victims in 2004.

“While the Security Breach Act would help alert consumers to cases of identity theft resulting from a breach of security at a data collection company, the crime of identity theft occurs every day in Illinois by thieves who steal bits and pieces of a consumer’s identity and use that information to withdraw money, make purchases and take out new lines of credit in the consumer’s name,” Madigan said. “Consumers always must be vigilant to protect this information and follow up by checking their credit reports for any suspicious activity.”

Madigan and Blagojevich said a new federal law has made it easier and cheaper for Illinoisans to keep a close eye on their credit reports and credit histories. Effective March 1 in Illinois, all consumers now are entitled to receive a free credit report every 12 months from each of the three credit reporting companies.

The annual free reports are available **only** through the centralized source set up by the three credit reporting agencies. If consumers contact the companies directly they will still be charged for their credit reports. To obtain the free reports, consumers can call 1-877-322-8228, order online at www.annualcreditreport.com or complete the Annual Credit Report Request Form, available at www.ftc.gov/credit, and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.